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FEDERAL COMMUNICATIONS COMMISSION APR 23 1993
Washington, DC. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:)
)
Petition of U S WEST Communications, Inc.) CC Docket No. 97-172
for a Declaratory Ruling Regarding the)
Provision of National Directory Assistance)

REPLY OF U S WEST COMMUNICATIONS, INC.

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April 23, 1998

U S WEST COMMUNICATIONS, INC.

SUMMARY

In its Further Submission in Support of Petition for Declaratory Ruling ("Further Submission"), U S WEST Communications, Inc. ("U S WEST") demonstrated that the Communications Act of 1934 permits U S WEST to offer National Directory Assistance ("NDA") on an integrated, interLATA basis. The comments of AT&T and MCI do not undermine U S WEST's arguments. Contrary to their assertions, section 271 does not restrict NDA because NDA (1) directly supports U S WEST's exchange access service, (2) is not an "interLATA service," or (3) is a previously authorized activity under section 271(f).

The Further Submission also demonstrates that, even if NDA is subject to the separate affiliate requirements of section 272, the Commission can and should forbear from enforcing those requirements. AT&T and MCI argue that the Commission has no authority to forbear, but they cannot refute the clear case for treating NDA as a section 271(g)(4) service. They also fail to show why enforcement of section 272 is necessary to prevent discriminatory practices or to protect consumers and the public interest. And, absent forbearance, consumers will be harmed because a separate affiliate would raise NDA's costs substantially and possibly end the service altogether.

Finally, AT&T and MCI have chosen either to ignore or misunderstand the serious constitutional issues that would arise if the Commission were to prohibit NDA or require that it be provided through a separate affiliate. NDA is not commercial speech and therefore is entitled to full First Amendment protection.

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REPLY OF U S WEST COMMUNICATIONS, INC.

U S WEST Communications, Inc. ("U S WEST") submits this reply to the comments filed in response to the Public Notice issued on March 19, 1998 (DA 98-532) regarding U S WEST's Further Submission in Support of Petition for Declaratory Ruling.

INTRODUCTION

Of the four parties that filed comments on U S WEST's Further Submission, two — Ameritech and SBC Communications — support U S WEST's position.^{1/} AT&T and MCI, on the other hand, seek to expand the restrictions and burdens of sections 271 and 272 of the Communications Act of 1934 (the "Act") beyond all reasonable bounds in order to shield their dominant positions in the nonlocal directory assistance market. MCI asserts that U S WEST's National Directory Assistance (NDA) is "anticompetitive,"^{2/} even though consumers are flocking to the service to take advantage of its convenience and lower price. And AT&T claims to defend the public interest, even as it raises its price for nonlocal directory assistance from 95 cents to \$1.10.^{3/}

^{1/} See Ameritech Comments at 1; SBC Communications Comments at 1-2.

^{2/} See MCI Comments at 18.

^{3/} See Part II.B *infra*.

The arguments of AT&T and MCI have neither legal nor economic merit. First, contrary to their assertions, NDA is permitted under section 271 because it (1) directly supports U S WEST's exchange access service, (2) is not an "interLATA service," or (3) is a previously authorized activity under section 271(f).

Second, even if NDA fell within section 271, it plainly would be an "incidental interLATA service" under section 271(g)(4). AT&T's and MCI's arguments to the contrary are not grounded in either the statute or sound policy. For example, MCI simply pulls out of thin air its suggestion that the use of live operators excludes NDA from section 271(g)(4). And AT&T makes the false claim that U S WEST's position would allow BOCs to offer any type of Internet service on an interLATA basis prior to receiving section 271 approval. In fact, like BellSouth's reverse directory assistance service, NDA falls squarely within the scope of section 271(g)(4), and the Commission therefore has authority to forbear under section 10. Moreover, forbearance is required here because the integrated provision of NDA satisfies the three criteria of section 10(a).

Third, AT&T and MCI have chosen either to ignore or to misunderstand the serious constitutional issues that would arise if the Commission were to prohibit NDA or require it to be provided through a separate affiliate. The Commission should avoid those issues, and it may do so quite easily by permitting U S WEST to provide NDA on any of the strong statutory grounds advanced by U S WEST.

DISCUSSION

I. CONTRARY TO THE ARGUMENTS OF THE INCUMBENT IXC PROVIDERS, THE ACT ALLOWS U S WEST TO OFFER NDA ON AN INTEGRATED, INTERLATA BASIS.

In its Further Submission, U S WEST demonstrated that the Act permits U S WEST to provide NDA using interLATA facilities and on an integrated basis (that is, without using a separate affiliate) for any of three separate reasons. Nothing in the comments of AT&T or MCI undermines that analysis.

A. U S WEST May Provide NDA Because It Directly Supports U S WEST's Exchange Access Service.

As shown in its Further Submission, U S WEST is authorized to provide NDA as a function ancillary to its exchange access service, just as it may provide local telephone listings to assist calling over its local exchange network.^{4/} MCI has no answer to this, and AT&T is able to respond only by mischaracterizing U S WEST's argument. Contrary to AT&T's assertion,^{5/} U S WEST does not claim that NDA is an exchange access service. Rather, NDA supports U S WEST's exchange access service, as do other ancillary functions that U S WEST may perform to aid its basic telephone services.

Similarly, even if some NDA users obtain exchange access through competitive access providers,^{6/} NDA nonetheless supports U S WEST's exchange access service in the vast majority cases. Indeed, local directory assistance service plainly supports local exchange service even though some users never call the listings they obtain. NDA is no different: The provision

^{4/} See U S WEST Further Submission at 9-10.

^{5/} See AT&T Comments at 2-3.

^{6/} See *id.* at 3.

of NDA indisputably helps a sizable portion of U S WEST's customers to take advantage of its basic telephone services.

Moreover, NDA is functionally indistinguishable from another service that U S WEST has been providing since divestiture in support of its exchange access service. Interexchange carriers such as Sprint and MCI have provided and currently provide directory assistance service to their customers who dial NPA-555-1212 by purchasing that service from U S WEST and other LECs and then reselling the service to their customers. The IXC's deliver their calls to U S WEST access tandems in each LATA in U S WEST's region. U S WEST transfers the calls across LATA boundaries to the same directory assistance centers that handle NDA, and those centers provide the requested listings. Thus, U S WEST transmits out-of-LATA telephone listings across LATA boundaries, just as it does with NDA. Since U S WEST can offer this directory assistance to IXC's to support its exchange access service, it likewise can provide the functionally equivalent NDA.

B. NDA Is Not an "InterLATA Service" under the Act and Therefore Is Not Prohibited by Section 271(a).

AT&T and MCI try to skirt the fact that NDA does not fall within the Act's definition of "interLATA service" and therefore is not prohibited by section 271(a).^{7/} They analogize NDA to other types of calls that they assert must be interLATA services.^{8/} But they never come to grips with the basic legal issue: whether NDA fits within the statute's textual definition of interLATA services. And it clearly does not. The Act defines "interLATA service"

^{7/} See U S WEST Further Submission at 11-13.

^{8/} See AT&T Comments at 4-6; MCI Comments at 8-12.

as “telecommunications” between a point in one LATA and a point outside the LATA.^{9/}

“Telecommunications,” in turn, is defined as “the transmission, between or among points specified by the user, of information of the user’s choosing.”^{10/} Thus, an interLATA service involves the transmission of information between a point in one LATA and a point in another LATA specified by the user. A user of NDA, however, merely dials 411, and U S WEST’s network then directs the call to one of several NDA centers across U S WEST’s territory. The user never knows — much less specifies — where the call is routed. A user of NDA thus never specifies a point outside the user’s LATA, and NDA is not an interLATA service under the Act.

The Commission also should not be misled by MCI’s inaccurate assertion that the Act defines “interLATA services” in terms of the type of information transmitted. According to MCI, “any provision of the telephone numbers of subscribers in other LATAs constitutes an interLATA service under Section 271 of the Act.”^{11/} Again, MCI ignores the plain language of the Act, which defines interLATA services in terms of out-of-LATA facilities, not out-of-LATA information. Indeed, the Commission made this precise point in the 272 Forbearance Order. The Commission noted that BellSouth’s regional electronic reverse directory assistance service — which provides out-of-LATA information but does not involve BellSouth’s interLATA facilities — is “an intraLATA information service that BellSouth need not provide through a separate

^{9/} See 47 U.S.C. § 153(21).

^{10/} See *id.* § 153(43) (emphasis added).

^{11/} MCI Comments at 11-12.

affiliate.”^{12/} Moreover, as discussed in Part III below, MCI’s argument would present serious First Amendment issues that the Commission should avoid.

C. NDA Is a Previously Authorized Activity under Section 271(f).

As U S WEST showed in its Further Submission, even if NDA were an interLATA service, it falls within the MFJ court’s definition of “official services” and thus may be provided as a previously authorized activity under section 271(f).^{13/} The MFJ court expressly authorized the BOCs to provide “directory assistance,” and the court never limited its authorization to the provision of local listings.^{14/} Indeed, as noted above,^{15/} U S WEST has been providing directory assistance to IXC’s for years through a tariffed service that is functionally equivalent to NDA.^{16/} Furthermore, in reaching its decision, the MFJ court treated directory assistance as an aid to a BOC’s “management” of its telephone functions, relying on the provision of the decree that permitted BOCs “to perform . . . exchange telecommunications and exchange access functions, including the procurement for, and engineering, marketing, and

^{12/} Bell Operating Companies, Petitions for Forbearance from the Application of Section 272 of the Communications Act of 1934, As Amended, to Certain Activities, CC Docket No. 96-149, Memorandum Opinion and Order, DA 98-220 (rel. Feb. 6, 1998) ¶ 61 (emphasis added) (“272 Forbearance Order”).

^{13/} See U S WEST Further Submission at 13-15. If the Commission finds that NDA is a previously authorized activity, it should forbear from applying the separate affiliate requirements of section 272 for the same reasons presented in Part II.C of the Further Submission (at 18-30) and in Part II of this Reply.

^{14/} United States v. Western Electric Co., 569 F. Supp. 1057, 1098 & n.179 (D.D.C. 1983) (“Reorganization Decision”).

^{15/} See Part I.A *supra*.

^{16/} See U S WEST Communications Access Service Tariff, FCC No. 5, Section 9, Original Page 9-1 (issued July 22, 1994).

management of, those functions.”^{17/} Just as local directory assistance aids the management of U S WEST’s local exchange functions, so NDA assists the management of its exchange access functions.

AT&T contends that the MFJ court’s decision regarding 800 Service Directory Assistance (“800 DA”) nonetheless excludes NDA from section 271(f). AT&T notes that the court decided to assign 800 DA facilities to AT&T rather than to the BOCs and referred to the service as “an interexchange, interLATA service.”^{18/} Neither point supports AT&T’s argument. First, whether the BOCs could provide a service was a question distinct from whether they should receive the existing facilities used to provide that service. In its Reorganization Decision, the court consistently treated those issues as separate.^{19/} And the court made the point particularly clear when it assigned the official services facilities to the BOCs and then separately stated that the consent decree “does not prohibit the Operating Companies from providing their own Official Services.”^{20/} The court’s decision to assign the 800 DA facilities to AT&T thus did not resolve the question whether the BOCs could provide their own 800 DA services.

^{17/} 569 F. Supp. at 1100-01 (emphasis in original).

^{18/} See AT&T Comments at 3-4.

^{19/} See, e.g., 569 F. Supp. at 1098-99; id. at 1101 n. 189. Indeed, the Department of Justice had proposed assigning many official services facilities to AT&T but letting the BOCs provide official services by leasing those same facilities back from AT&T. See id. at 1098-99 & n.181.

^{20/} Id. at 1101.

Second, the MFJ court's reference to 800 DA as an "interexchange, interLATA service" does not imply that the BOCs were prohibited from offering 800 DA.^{21/} The MFJ court, after all, authorized the BOCs to provide many interexchange, interLATA services when it created the official services category. Indeed, the court expressly recognized that some "interLATA functions" would be official service functions.^{22/} Labeling a service "interexchange" or "interLATA" therefore did not determine whether the BOCs could provide it; the real issue was whether the service was an official service. And as U S WEST showed in its Further Submission, the MFJ court implied that 800 DA was an official service and that the BOCs therefore were free to provide it.^{23/}

II. THE INCUMBENTS' ARGUMENTS POSE NO OBSTACLE TO TREATING NDA AS A SERVICE UNDER SECTION 271(g)(4) AND FORBEARING FROM APPLYING THE SEPARATE AFFILIATE REQUIREMENTS OF SECTION 272.

AT&T and MCI struggle mightily to argue that NDA is not an "incidental interLATA service" and that the Commission therefore does not have authority to forbear. None of their assertions, however, can trump the text of section 271(g)(4), which plainly encompasses the provision of NDA. Moreover, NDA presents a model case for use of the Commission's forbearance authority under section 10. AT&T and MCI cannot (and do not) deny that, until the start of NDA, the nonlocal directory assistance market was at best nominally competitive. NDA finally has brought real competition to that market, and consumers are seeing the fruits of that

^{21/} Id. at 1102.

^{22/} Id. at 1097-98 (rejecting reorganization plan that would have assigned facilities that "perform interLATA function" to AT&T "even if the functions constitute Official Services.")

^{23/} See U S WEST Further Submission at 14.

competition in the form of lower prices and greater convenience in directory assistance.

Applying the separate affiliate requirements to NDA would needlessly raise the cost of the service and quite possibly end it altogether. The Commission should therefore forbear from applying section 272 and reject the arguments contrived by AT&T and MCI to protect their corner on the nonlocal directory assistance market.

A. NDA Is a Service under Section 271(g)(4), and the Commission Therefore Has Authority To Forbear.

In opposing U S WEST, MCI inserts new requirements into section 271(g)(4), and AT&T is forced to exaggerate U S WEST's arguments. Once past these diversions, it is clear that NDA is an incidental interLATA service under section 271(g)(4) and that the Commission may therefore forbear from enforcing the separate affiliate requirements.

Under section 271(b)(3) of the Act, BOCs may offer "incidental interLATA services" prior to receiving in-region long distance approval under section 271(c). Section 271(g) defines "incidental interLATA services" to include "a service that permits a customer that is located in one LATA to retrieve stored information from . . . information storage facilities of [a BOC] that are located in another LATA." NDA falls squarely within that definition: NDA allows a U S WEST customer in one LATA to retrieve telephone listings stored in U S WEST's facilities located in another LATA.

To overcome the statute's clear meaning, MCI concocts a new requirement, contending that section 271(g)(4) requires a customer to retrieve the information directly and without the intervention of a live operator. But the source of this requirement is a mystery that MCI does not disclose. The text of the statute does not suggest such a limitation; neither does the Commission's 272 Forbearance Order. Although that order involved an electronic service

without human intervention, the Commission never suggested that adding a human intermediary would have excluded the service from section 271(g)(4). Nor does MCI suggest a policy rationale that would support prohibiting the use of live operators.

AT&T makes two equally untenable arguments. First, AT&T argues that NDA is different from BellSouth's reverse directory assistance service because that service "provided only local telephone numbers."^{24/} According to AT&T, such a service fell within section 271(g)(4) because it was sufficiently "incidental" to other services that BellSouth was permitted to offer. But nothing in Section 271(g) requires that any of the listed services be "incidental" to other LEC services. The term "incidental" in that section plainly refers to the fact that the listed services may involve interLATA transmission incidental to the principal function of the service, such as "retriev[al of] stored information."^{25/} Indeed, many of the services covered by section 271(g) — such as audio programming, video programming, and commercial mobile services — plainly are not incidental to other LEC services, but may involve incidental interLATA transmission.^{26/} In any event, NDA is at least as "incidental" as reverse directory assistance is to other LEC services. As we have shown, NDA is ancillary to U S WEST's exchange access service. By contrast, and contrary to AT&T's inaccurate description of BellSouth's service,^{27/} reverse directory assistance does not even provide customers with telephone numbers, local or

^{24/} AT&T Comments at 10.

^{25/} 47 U.S.C. § 271(g)(4).

^{26/} See *id.* § 271(g)(1), (3).

^{27/} See AT&T Comments at 10.

otherwise. Rather, a customer inputs a telephone number, and reverse directory assistance provides the name and address associated with that number.^{28/}

AT&T's second argument is over the top: It contends that U S WEST's interpretation of section 271(g)(4) would allow BOCs to provide "any type" of Internet service on an interLATA basis prior to obtaining section 271 approval.^{29/} But recognizing NDA as an incidental interLATA service under section 271(g)(4) would entail no such consequence. That section allows a customer to obtain information only from a BOC's own information storage facilities, and NDA falls within the section because it provides customers with information contained in U S WEST's own databases. AT&T's argument is therefore factually incorrect and should not distract the Commission.

AT&T and MCI have presented no plausible reason why NDA should not be considered an incidental interLATA service under section 271(g)(4). Indeed, NDA falls squarely within that section, and U S WEST may therefore offer NDA without section 271 approval. Of course, section 272(a)(2)(B) would require that NDA be provided through a separate affiliate, but even AT&T and MCI cannot deny that the Commission has authority under section 10 to forbear from the application of section 272 to BOC provision of incidental interLATA services.^{30/} In short, the Commission has authority to forbear from applying the separate affiliate requirements to NDA.

^{28/} See 272 Forbearance Order ¶ 52.

^{29/} See AT&T Comments at 11.

^{30/} See 47 U.S.C. § 160(a), (d); 272 Forbearance Order ¶ 65.

B. The Commission Should Forbear from Applying the Separate Affiliate Requirements of Section 272 to NDA.

In its Further Submission, U S WEST showed that the Commission should forbear from applying section 272 to NDA. Applying that section is unnecessary under section 10(a)(1) because market forces are sufficient to keep prices reasonable and because U S WEST will provide CLECs with nondiscriminatory access to NDA.^{31/} Sections 10(a)(2) and 10(a)(3) are satisfied because enforcing section 272 would substantially raise the cost of NDA and possibly end the service altogether by destroying many of the efficiencies that result from the integrated, interLATA provision of NDA.^{32/} Against these showings, the contrary arguments of AT&T and MCI are revealed as nothing more than attempts to forestall competition.

AT&T and MCI do not deny, for example, that enforcing section 272 would make the provision of NDA prohibitively expensive. Nor can they really dispute that competition from NDA is providing consumers with lower prices and easier directory assistance service. Both AT&T and MCI contend that their own directory assistance offerings serve consumers well, but that is hardly relevant to whether NDA is procompetitive. And MCI's claim that it charges substantially less to high volume customers only underscores the market power that the IXC's can exploit vis-a-vis the individual, residential customer.^{33/} The nonlocal directory assistance market

^{31/} See U S WEST Further Submission at 18-24.

^{32/} Id. at 20-22, 25-30.

^{33/} See MCI Comments at 19.

has not been competitive because individuals rarely choose an IXC based on directory assistance prices.^{34/} NDA, however, brings the benefits of competition even to residential consumers.

AT&T makes an equally irrelevant assertion — that it has been a leader in improving directory assistance — and then claims that the “timing of AT&T’s introduction of 00 INFO was not a competitive response to U S WEST’s NDA offering.”^{35/} AT&T never explains, however, why it markets its 00 INFO service only in U S WEST’s and BellSouth’s regions. AT&T would apparently have the Commission believe it is only a coincidence that U S WEST and BellSouth are the leaders in offering NDA service. Nor does AT&T reveal that it recently raised the price of its 1-NPA-555-1212 directory assistance service from 95 cents to \$1.10 — the same price that its fellow oligopolists Sprint and MCI charge.^{36/} The IXCs, in other words, are still finding it profitable to exploit the residential customer who cannot easily shop for cheaper directory assistance service.

Given the weakness of their consumer and public interest arguments, AT&T and MCI devote most their efforts to attacking forbearance under section 10(a)(1). They say the Commission may forbear only if IXCs are given access to the 411 dialing sequence for directory assistance.^{37/} U S WEST has already committed that CLECs will have access to the 411 dialing

^{34/} See U S WEST Further Submission at 5.

^{35/} AT&T Comments at 19.

^{36/} See Exhibit.

^{37/} See AT&T Comments at 13-16; MCI Comments at 18-20.

sequence,^{38/} but AT&T and MCI assert that they too must have the same access in order to prevent the discriminatory practices forbidden by section 10(a)(1).

Of course, AT&T and MCI know full well that it would be technically infeasible to give IXC's access to 411. Such access would require customers to preselect their directory assistance providers just as they now preselect their long distance providers.^{39/} The per-customer revenues from directory assistance are simply too small to justify the substantial costs of implementing such a system. And, contrary to the suggestion of AT&T, the Commission has not determined that providing 411 access to IXC's is technically feasible.^{40/} In the Second Report and Order, the Commission took no action on that issue, stating only that "[t]he record before us indicates that permitting nondiscriminatory access to 411 and 555-1212 dialing arrangements is technically feasible."^{41/} The record before the Commission, however, consisted primarily of comments by Bell Atlantic, which stated that CLECs could be given 411 access.^{42/} The Commission therefore has not fully considered whether giving IXC's 411 access is technically feasible, and a basic understanding of telephone operations suggests that it is not.

More importantly, IXC's do not need 411 access because they can already provide nonlocal directory assistance through simple and easy-to-remember dialing sequences such as 00.

^{38/} See U S WEST Further Submission at 23-24.

^{39/} See *id.* at 24 & n.32.

^{40/} See AT&T Comments at 15.

^{41/} Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Second Report and Order, 11 FCC Rcd. 19392, 19464 ¶ 151 (1996).

^{42/} *Id.* at 19463-64 ¶ 150.

It is thus hard to see how IXCs would be disadvantaged by letting BOCs and CLECs use 411.

AT&T asserts that it would have to “devote significant resources to making consumers aware” of the 00 dialing sequence, whereas U S WEST “can take advantage of 411’s familiarity immediately and without additional cost.”^{43/} But AT&T and U S WEST are in exactly the same position with respect to promoting their new nonlocal directory assistance services.

Traditionally, neither 00 nor 411 has been a number that consumers would use for nonlocal directory assistance. Indeed, that is why U S WEST has had to make a substantial investment in advertising to educate consumers about its NDA service. AT&T obviously is not used to competing for its directory assistance revenues and does not understand that competition will require spending money on outreach to consumers.

Finally, MCI argues that, if the Commission decides to forbear from applying section 272, it should require U S WEST to make available to MCI “all directory listing information that it uses to provide” NDA.^{44/} U S WEST, however, has already agreed to make available to other entities any listings that U S WEST has special control over and uses in the provision of NDA. U S WEST stated in its Further Submission that it will “provide access to its own in-region directory assistance database to any requesting party on reasonable and nondiscriminatory terms.”^{45/} And U S WEST agreed that the NDA service would not use listings provided by other LECs in U S WEST’s region.^{46/} Finally, U S WEST has no special access to

^{43/} AT&T Comments at 20 n.49.

^{44/} MCI Comments at 24.

^{45/} U S WEST Further Submission at 23.

^{46/} See id. at 24.

the Nortel national database, and other entities can purchase that database as easily as U S WEST does.^{47/}

III. THE INCUMBENTS IGNORE THE SERIOUS FIRST AMENDMENT ISSUES THAT WOULD ARISE IF U S WEST WERE NOT PERMITTED TO PROVIDE NDA ON AN INTEGRATED, INTERLATA BASIS.

AT&T and MCI have no adequate response to the fact that prohibiting NDA or requiring its provision through a separate affiliate would raise serious constitutional concerns. MCI mistakenly treats NDA as a commercial speech matter, analyzing the issue under the Central Hudson intermediate scrutiny standard.^{48/} But the speech at issue here is not commercial speech simply because it is offered for profit.^{49/} If it were, newspapers, books, and television programs would all receive only intermediate scrutiny protection. Commercial speech proposes a commercial transaction, as through an advertisement.^{50/} Thus, U S WEST's advertisements for NDA might be commercial speech, but U S WEST's provision of directory assistance information is not, and is entitled to the full protection of the First Amendment.

Any content-based regulation of directory assistance services is therefore "presumptively invalid."^{51/} And if the Commission were to prohibit U S WEST from providing NDA or to require U S WEST to provide NDA through a separate affiliate, the Commission

^{47/} See id. at 23.

^{48/} See MCI Comments at 25-27.

^{49/} See U S WEST Further Submission at 30-31.

^{50/} See Board of Trustees of State University of N.Y. v. Fox, 492 U.S. 469, 473-74, 482 (1989) (distinguishing between commercial speech and speech for a profit); see also Rushman v. City of Milwaukee, 959 F. Supp. 1040, 1043-44 (E.D. Wis. 1997).

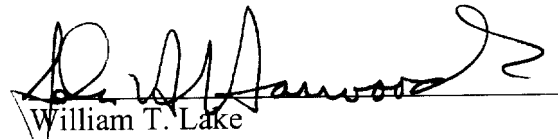
^{51/} R.A.V. v. City of St. Paul, 505 U.S. 377, 382 (1992).

would be imposing a content-based regulation. Whereas U S WEST would be permitted to provide local telephone listings on an integrated, interLATA basis, U S WEST would be forbidden to provide nonlocal listings on the same terms, solely because of the nature of the information. The First Amendment plainly forbids such content-based speech restrictions. The Commission can and should avoid this constitutional concern by permitting U S WEST to provide NDA on the same integrated, interLATA basis that it provides local directory assistance.

CONCLUSION

For the reasons stated above and in U S WEST's Further Submission, the Commission should issue a declaratory ruling confirming that NDA does not fall within the prohibitions of section 271 and that U S WEST may accordingly continue to provide NDA on an integrated, interLATA basis. Alternatively, the Commission should declare that NDA is an incidental interLATA service under section 271(g)(4) and forbear from applying the separate affiliate requirements of section 272.

Respectfully submitted,



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From Arizona Republic, March 29, 1998

NOTICE TO AT&T CUSTOMERS

On March 24, 1998, AT&T filed tariff revisions with the Federal Communications Commission (FCC) modifying AT&T's Carrier Line Charge applicable to AT&T Residential Long Distance Customers. Beginning on April 1, 1998, a new Carrier Line Charge of \$0.95 per month per account will apply to Residential Customers who (1) have one or more lines presubscribed to AT&T as the primary interexchange carrier and (2) have subscribed to one of AT&T's calling plans. This charge will apply to Customer bills beginning with bills dated on or after April 1, 1998. Also effective April 1, 1998, the existing Carrier Line Charge of \$1.50 per month for each non-primary line presubscribed to AT&T will no longer apply to those Customers who have subscribed to one of AT&T's calling plans.

In addition, on March 25, 1998, AT&T filed tariff revisions changing the rates for certain domestic operator-handled calls and calls to Directory Assistance as follows:


1. Usage rates for collect calls placed via 1 800 CALL ATT® are increased to \$0.40 per minute.
2. The service charge for automated collect calls placed via 1 800 CALL ATT is increased to \$2.45 per call. The service charge for operator-assisted collect calls placed via 1 800 CALL ATT is increased to \$3.95 per call.
3. Usage rates for coin calls are increased to \$1.20 for each three-minute period.
4. The service charge for coin calls is increased to \$1.95 per call.
5. The charge to call AT&T Directory Assistance where the Customer dials NPA 555-1212 is increased to \$1.10 per call. However, Customers may continue to receive AT&T Directory Assistance under an existing promotion for \$0.95 per call by dialing "00" (Prompt 1) or 1 800 CALL ATT (Prompt 4) through July 31, 1998.

The above Collect, Coin, and Directory Assistance revisions are scheduled to become effective on March 26, 1998.

AT&T also filed revisions changing certain usage rates for AT&T Wireless Long Distance calls. The usage rates for all domestic interstate dial station calls will be billed at \$0.29 per minute. The usage rates for dial station calls to Canada will be billed at \$0.75 per minute. The usage rates for dial station calls to Mexico and the United Kingdom will be billed at \$1.25 per minute. Dial station calls to certain other international countries will be billed at \$2.00 per minute. These rates apply 24 hours per day, seven days per week. The rates for calls to most international countries are not changing. These changes apply to Customers who obtain their cellular or PCS access from providers other than AT&T Wireless Services and may result in increases or decreases in Customer charges depending on the distance, duration, time of day as well as the type of call. These revisions are scheduled to become effective on March 27, 1998.

CERTIFICATE OF SERVICE

I, Rebecca Ward, do hereby certify that on this 23rd day of April, 1998, I have caused a copy of the foregoing **REPLY OF U S WEST COMMUNICATIONS, INC.** to be served, via first-class United States Mail, postage prepaid, upon the persons listed on the attached service list.


Rebecca Ward

*Served via hand-delivery

CC97172B-COS

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